

FSA Benefit Nets Me Untold Fortune -- You could be next

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Ever stay up late and flip on the TV only to find an infomercial with some guy who has discovered the key to wealth? All you need to do is attend his seminar, or buy his book or call his number and you too can live the dream. The catch is – it costs you a few (*hundred*) dollars. Well this article is just like an infomercial (not really) and if you read it, you will learn how a fax machine saved me thousands (*ok, only \$400*) -- AND YOU CAN DO IT TOO!

During the benefit fair of 2011, I received some information on the federal Flexible Spending Account (FSA). An FSA is an account where you contribute money from your salary before taxes are withheld then get reimbursed for out-of-pocket health care and dependent care expenses. For example, let's say you make \$1,000 per pay date – that means you pay taxes on \$1,000 per pay date. If you put \$20 per pay date into your FSA– then you only pay taxes on \$980 per pay date. You save money by paying less taxes.

With a daughter in daycare and a wife working full-time, I figured I'd give the dependent care program a shot. Enrolling was easy. Just five minutes on the computer and I was signed-up for the maxi-

mum amount of \$5,000 for the year. For all of 2012, a portion of my paycheck was diverted into the FSA. In order to get reimbursed, I had to complete a form, get it verified by the childcare provider, and fax it. Within a week, the money appeared in my bank account. I even timed my submissions so I received my reimbursements on my non-payday week.

For the entire year, I saved \$416 on something I was already spending money on. I liked it so much, I enrolled in a healthcare FSA for 2013. The healthcare FSA allows me to pay frequent expenses like co-pays and prescriptions with tax free dollars. The maximum amount allowed per year is \$2,500. Unlike the dependent care FSA, I had to submit proof of payment for services like a receipt or Explanation of Benefits (EOB) along with the FSA form. This year I discovered that many over-the-counter drugs and medical items are reimbursable. Next year I plan on increasing my contribution to pay for my wife's glasses (in lieu of opting into vision insurance).

So my friend, are you tired of putting your hand in your pocket and only feeling your leg? Are you ready to get on the road to riches and living the dream? Then YOU TOO CAN enroll in a flexible spending account today. For more information, visit www.fsafeds.com.